

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7115

BILL NUMBER: HB 1256

NOTE PREPARED: Jan 1, 2003

BILL AMENDED:

SUBJECT: Watercraft Docking and Marina Launch Fees.

FIRST AUTHOR: Rep. Cheney

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill provides that the city of Portage may impose a watercraft docking fee and a marina launch fee. The bill also provides that revenue generated from the fees shall be used to fund port authority maintenance and enforcement of port authority regulations.

Effective Date: July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The Portage Port Authority will experience an increase in administrative expenditures in implementing the two fee programs. Those expenses are currently indeterminable. The Portage Port Authority will also be required to purchase decals for distribution in exchange for paid fees. Currently, the cost for providing the decals is estimated to be about \$1 to \$2 per sticker, or about \$2,000 total per year.

Explanation of Local Revenues: *Watercraft Docking Fee* - This bill would allow the city of Portage to impose an annual fee upon each watercraft that is docked for more than 29 days in waters that are under the jurisdiction of the local port authority. The fee is assessed according to the length of the boat, and it cannot be more than \$0.75 per foot for a watercraft of 30 feet or less, and not more than \$1.50 per foot for a watercraft over 30 feet. The fee can be collected and remitted to the city fiscal officer by a marina, dock, or the port authority. In exchange for the fee from a watercraft owner, the marina, dock or port authority is to provide the watercraft owner a decal displaying the year for which the fee has been paid.

The fiscal impact of this fee is based on the number of boats, and their lengths, which remain docked in waters that are within the port authority's jurisdiction. According to the Portage Port Authority, about 400 to 500 boats would qualify as needing to pay a watercraft docking fee. Of these boats, approximately 60% are over 30 feet. Based on the maximum \$0.75 per foot fee, the maximum revenue generating potential for watercraft 30 feet or less would range between \$3,600 and \$4,500 per year. Based on the maximum \$1.50 per foot fee, the minimum revenue generating potential for watercraft over 30 feet would range between \$11,000 and \$14,000 per year.

Revenue from this fee may only be used for the regulation of activities related to the waters under the jurisdiction of the port authority and their enforcement, and for the same purposes for which a cumulative channel maintenance fund is used, which include: dredging and cleaning channels and shores, repairing bulkheads, pilings, docks, and wharves, and purchasing and developing land adjoining the port's channels.

Marina Launch Fee - This bill also allows the city of Portage to impose a marina launch fee for a watercraft that is launched from a marina, dock, or port that is within the jurisdiction of the Portage Port Authority. The fee is to be collected and remitted to the city fiscal officer by a marina, dock, or port.

The fee may be collected either per launch or annually. The fee per launch is \$1, and the annual fee is to be charged in the same manner as the watercraft docking fee: not more than \$0.75 per foot for watercraft 30 feet and under in length and not more than \$1.50 per foot for watercraft over 30 feet in length. If a \$1 fee is paid, a paper permit is to be issued to the watercraft owner and displayed on the boat. If an annual fee is paid, the marina, dock, or port would be required to issue a decal indicating the year for which the fee is paid.

The fiscal impact of this provision is dependent on the number of boats that are launched within the jurisdiction of the Port Authority, and could also be dependent on the length of the watercraft. According to the Portage Port Authority, about 10,000 to 12,000 boats are launched each year within its jurisdiction. Approximately 95% of the boats are less than 30 feet in length. Based on the maximum \$0.75 per foot fee, the maximum revenue generating potential for watercraft 30 feet or less would range between \$213,700 and \$256,500 per year. Based on the maximum \$1.50 per foot fee, the minimum revenue generating potential for watercraft over 30 feet would range between \$23,200 and \$27,900 per year. If all the watercraft owners choose to pay the fee on a per-launch basis, and the boats are launched at least once, the revenue generating potential would be between \$10,000 and \$12,000 per year.

Like the watercraft docking fee, revenue from this fee may only be used for the regulation of activities related to the waters under the jurisdiction of the Port Authority and their enforcement, and for the same purposes for which a cumulative channel maintenance fund is used, which include: dredging and cleaning channels and shores; repairing bulkheads, pilings, docks, and wharves; and purchasing and developing land adjoining the port's channels.

State Agencies Affected:

Local Agencies Affected: City of Portage.

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